

JOHN MORGAN
SECURITIES COMMISSIONER

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DEPUTY SECURITIES COMMISSIONER

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Texas State Securities Board

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BETH ANN BLACKWOOD
CHAIR

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DAVID A. APPELBY
MEMBER

ALAN WALDROP
MEMBER

MIGUEL ROMANO, JR.
MEMBER

IN THE MATTER OF THE INVESTMENT
ADVISER REGISTRATION OF
MICHAEL KEITH PARISH

§
§
§

Order No. IC17-CAF-03

TO: Michael Keith Parish, Sole Proprietor (CRD #114548)
504 Ridgemont Avenue
San Antonio, TX 78209

DISCIPLINARY ORDER

Be it remembered that Michael Keith Parish ("Respondent") appeared before the Securities Commissioner of the State of Texas ("Securities Commissioner") and consented to the entry of this order ("Order") and the Findings of Fact and the Conclusions of Law contained herein.

FINDINGS OF FACT

1. Respondent has waived (a) Respondent's right to notice and hearing in this matter; (b) Respondent's right to appear and present evidence in this matter; (c) Respondent's right to appeal this Order; and (d) all other procedural rights granted to the Respondent by The Securities Act, Tex. Rev. Civ. Stat. Ann. arts. 581-1 to 581-44 (West 2010 & Supp. 2016) ("Texas Securities Act"), and the Administrative Procedure Act, Tex. Gov't Code Ann. §§ 2001.001 to 2001.902 (West 2008 & Supp. 2016) ("Administrative Procedure Act").
2. On December 27, 1993, Respondent registered with the Securities Commissioner as an investment adviser. This registration is currently effective.
3. On or about March 29, 2017, the Staff of the Texas State Securities Board ("Staff") conducted an inspection of Respondent (the "Inspection").

Custody of Client Funds and/or Securities

4. During the Inspection, Staff determined that Respondent had custody of client funds and/or securities.

5. On December 21, 2011, §116.17 of the Rules and Regulations of the Texas State Securities Board ("Board Rules") became effective. Board Rule 116.17 is commonly referred to as the "custody rule" and prohibits registered investment advisers from maintaining custody of client funds and/or securities unless certain safeguards are implemented and/or the investment adviser satisfies compliance with an exemption from such safeguards.
6. During the Inspection, Staff found that Respondent had not implemented the required safeguards as required by §116.17(b) of the Board Rules.
7. Prior to the Inspection, Respondent represented to Staff, through the submission of an engagement letter, that Respondent would engage a CPA to provide Respondent with an independent verification of client funds and securities of which Respondent had custody.

Failure to Maintain Required Financial Records

8. During the 2017 Inspection, Staff also found that Respondent failed to maintain a balance sheet, income statements, and general ledger.
9. Pursuant to §116.5(a)(2) of the Board Rules, persons registered as investment advisers whose principal place of business is located in Texas shall make and keep current general and auxiliary ledgers (or other comparable records) reflecting asset, liability, reserve capital, income and expense accounts.

CONCLUSIONS OF LAW

1. Respondent's custody of client funds and/or securities without implementing the required safeguards is a violation of §116.17(b) of the Board Rules.
2. Respondent's failure to keep records of general and auxiliary ledgers, (or other comparable records) reflecting asset, liability, reserve capital, income and expense accounts is a violation of §116.5(a)(2) of the Board Rules.
3. The foregoing violations of the Board Rules constitute bases for the issuance of an Order suspending the Respondent's registration with the Securities Commissioner pursuant to Section 14.(A)(6) of the Texas Securities Act.
4. Pursuant to Section 23-1 of the Texas Securities Act, the aforementioned violations of the Board Rules constitute bases for the assessment of an administrative fine against the Respondent.

UNDERTAKING

1. Respondent undertakes and agrees to retain an outside auditor registered with the Public Company Accounting Oversight Board (PCAOB) to conduct an audit of all funds under Respondent's management pursuant to §116.17(c)(4)(B) of the Board Rules within thirty (30) days of the date this Undertaking is filed with the Securities Commissioner.
2. Respondent further undertakes and agrees to submit a copy of the audit referenced in paragraph one of this Undertaking to legal counsel for the Inspections & compliance

Division of the Texas State Securities Board ("Counsel") within sixty (60) days of the date this Undertaking is filed with the Securities Commissioner.

3. Respondent further undertakes and agrees that, in addition to any Form ADV-E filings required by §116.17, for a period of five (5) years from the date this Undertaking is filed with the Securities Commissioner Respondent will send Counsel a copy of all independent verifications of assets performed pursuant to §116.17 of the Board Rules.
4. Respondent further undertakes and agrees to keep records of general and auxiliary ledgers, (or other comparable records) reflecting asset, liability, reserve capital, income and expense accounts and to provide Counsel with these records within thirty (30) days of the date this Undertaking is filed with the Securities Commissioner.

ORDER

1. It is therefore ORDERED that the investment adviser registration of Michael Keith Parish with the Securities Commissioner is hereby SUSPENDED for a period of thirty (30) days.
2. It is further ORDERED that Michael Keith Parish shall pay an ADMINISTRATIVE FINE in the amount of Five-Thousand Dollars (\$5,000). Payment shall be made by delivery of a cashier's check to the Securities Commissioner in the amount of Five-Thousand Dollars (\$5,000) payable to the State of Texas, contemporaneously with the delivery of this Order.
3. It is further ORDERED that Michael Keith Parish COMPLY with the terms of the Undertaking contained herein.

SIGNED AND ENTERED BY THE SECURITIES COMMISSIONER this 18th
day of July, 2017.


JOHN MORGAN

Respondent:

A handwritten signature in black ink, appearing to read 'MKP', written over a horizontal line.

Michael Keith Parish, Sole Proprietor

Approved as to Form:

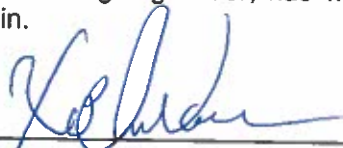
A handwritten signature in blue ink, reading 'Cristi Ramón', written over a horizontal line.

Cristi Ramón
Attorney
Inspections and Compliance Division

ACKNOWLEDGMENT

On this 13 day of JULY, 2017, Michael Keith Parish ("Respondent"), appeared before me, executed the foregoing Order, and acknowledged that:

1. Respondent has read the foregoing Order and Undertaking;
2. Respondent has been fully advised of its rights under the Texas Securities Act and the Administrative Procedure Act;
3. Respondent knowingly and voluntarily consents to the entry of the foregoing Order and the Findings of Fact and Conclusions of Law contained therein; and
4. Respondent, by consenting to the entry of the foregoing Order, has knowingly and voluntarily waived its rights as set forth therein.



Notary Public in and for
The State of Texas
My commission expires on 02-07-21

[affix notary seal here]

